

FUND 700

ROUTE 28 TAXING DISTRICT

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:

- The Board of Supervisors made no changes to the FY 2001 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan from January 1, 2000 through April 17, 2000. Included are all adjustments made as part of the FY 2000 Third Quarter Review:

- An increase of \$1,226,268 due to increased tax collections which are used to make payments to the State for annual debt service costs associated with the Route 28 bonds. In addition, revenues were increased \$1,226,268 based on the increase in assessed value of the property and revenues received to date.
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County Executive Proposed FY 2001 Advertised Budget Plan



Agency Overview

Fairfax County, in partnership with Loudoun County, formed the Route 28 Highway Transportation Improvement District on December 21, 1987. Under Virginia law such a district may be formed only upon the joint petition of owners of at least 51 percent of the land area in each County which is within the boundaries of the proposed district and which has been zoned or is used for commercial or industrial purposes. The District was formed to provide improvements to State Route 28 which connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate 66 in western Fairfax County, running approximately parallel to the County's western border. State Route 28 provides access to Dulles International Airport, along with the Dulles Access Road, which connects the Capital Beltway to Dulles International Airport. This District was formed upon landowner petition to accelerate planned highway improvements proposed by the State which relied primarily on slower pay-as-you-go financing from the Northern Virginia region's share of the State primary road fund allocation.

The District, administered by a Commission appointed by the Board of Supervisors of both Counties, may subject the owners of industrial and commercial property within the District to a maximum additional tax assessment of 20 cents per \$100 of assessed value. These funds, in addition to funds received through the State Primary Road Fund allocation formula, are to be used for the road improvements and debt service on bonds issued by the State. Improvements completed for Phase I of the Route 28 project include widening the existing road from two to six lanes and upgrading three major intersections. Any debt issued by the State to fund road improvements in the District will not become an obligation of Fairfax County. Legislation authorizing the issuance of revenue bonds up to \$160.7 million plus issuance expenses to finance the Phase I improvements to Route 28 was enacted during the 1988 Virginia General Assembly and became effective July 1, 1988. This legislation stipulates that the additional tax assessment in the District and funds allocated to the highway construction district, in which Route 28 lies, would reimburse the State for its debt service payments on its bonds. The Commonwealth of Virginia issued \$138.5 million in revenue bonds for the Route 28 project in September 1988.

Fairfax County and Loudoun County entered into a contract with the District on September 1, 1988, and agreed to levy an additional tax assessment as requested by the District, collect the tax, and pay all tax revenues to the Commonwealth Transportation Board. The contract specifies that: (1) the County Executive shall include in the budget all amounts to

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be paid by the County under the District Contract for the fiscal year; (2) the County shall provide by February of each year the total assessed fair market value of the District as of January 1 of that year; and (3) the District in turn shall notify the County of the required payment and request a rate sufficient to collect that amount, up to a maximum of 20 cents per \$100 of assessed value. The FY 2000 and 2001 amounts shown are for planning purposes only. Final figures based on the District request will be forwarded to the Board of Supervisors when available. Since tax collections at the maximum amount will not be sufficient initially to pay the debt obligation in full, any difference will be made up from the Northern Virginia State Highway allocation until such time as the District revenues are sufficient to fund debt service in full. It should be noted that the State contributions are capped at \$51,875,000 in total actual payments. Based on the current growth rates in the District, the State obligation should be able to cover any shortfalls in revenue from Fairfax and Loudoun County, until the District can support its debt service requirement in full.

The following table depicts, by fiscal year, the Route 28 Taxing District's total contractual debt service requirement and the sources of funding used to meet the necessary payments. As noted above, payments are made by both counties from special tax revenues. In addition, an interest offset, consisting of any interest earned by County funds after payment to the State but before the bond debt service payment is made, is credited to the required debt service payment. Any difference required to make up the full debt service payment is shown in the State contribution category. Any surplus above the contractual debt service requirement will reduce and may eliminate the need for a State payment, and is credited to the following year as "other available funds." The surplus is then applied as an additional input to meet the debt service requirement.

This table is based on the Commonwealth Transportation Board State Route 28 Highway Transportation Improvement District payment invoices, which include payments made through March of each calendar year. Therefore, the amounts reflected below may not equal the actual expenditures indicated on the Fund Statement by fiscal year. Actual debt service contractual requirements were established in the contract between the Commonwealth Transportation Board and the State Route 28 Highway Transportation Improvement District on September 1, 1988. The revenue amounts for FY 1999 represent actual special tax revenue, state contributions, and interest earnings through invoice payment 21 dated March 15, 1999. FY 2000 revenues are based on prior year estimates as well as actual interest earnings through invoice payment 22. FY 2001 revenue amounts are estimated.



Funding Adjustments

The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan since passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999:

- There have been no revisions to this fund since approval of the FY 2000 Adopted Budget Plan.

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Revenues Applied to Debt Service						
Fiscal Year	Contractual Debt Service Requirement	Fairfax County ¹	Loudoun County	Treasury Interest Offset ²	Other Available Funds ³	State Contributions ⁴
1989	\$3,622,185	\$2,629,770	\$1,997,482	\$27,179	\$0	\$0
1990	12,058,860	3,597,976	2,922,170	108,236	1,055,925	4,374,553
1991	12,062,020	3,913,442	2,816,801	26,541	0	5,305,236
1992	11,156,134	3,883,498	2,797,151	43,641	0	4,554,866
1993	8,804,182	3,260,266	2,533,051	37,776	449,954	2,523,135
1994	8,805,432	3,465,957	2,275,019	80,978	2,079,418	904,060
1995	8,801,682	3,216,359	1,817,938	27,761	19,607	3,720,017
1996	8,802,932	2,504,128	2,448,631	59,873	9,596	3,780,704
1997	8,801,398	2,209,438	1,672,065	26,011	7,429	4,886,455
1998	8,805,398	2,746,274	1,717,049	39,422	2,535,452	1,767,201
1999	8,803,778	3,432,438	2,037,769	43,446	8,980	3,281,145
2000	8,804,538	4,309,554	3,140,989	34,769	0	1,319,226
2001 ⁵	8,802,676	4,795,818	3,489,200			
2002	8,805,126					
2003	8,801,126					
2004	8,801,026					
2005	8,803,926					
2006	8,803,926					
2007	8,805,426					
2008	8,802,526					
2009	8,804,626					
2010	8,805,526					
2011	8,804,326					
2012	8,803,526					
2013	8,805,300					
2014	8,803,026					
2015	8,805,400					
2016	8,805,460					
2017	8,801,626					
2018	8,802,226					
Total	\$267,795,339					

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¹ Fairfax County payments include rezoning buy out proceeds, as well as scheduled tax collections. These payments are based on State invoices, the calendar for which does not coincide with the County's fiscal year. Therefore, the credited payments will not match the actual payments reflected on the accompanying Fund Statement.

² Treasury Interest Offset includes interest on debt service payments earned by County funds after payment to the State, but before the bond debt service payment is made.

³ Other Available Funds include surplus tax collections from prior years; interest earned on debt service funds while they were held by the Trustee; and/or funds remaining in trust from the original 1988 bond issue or the 1992 refunding bond issue.

⁴ Commonwealth Transportation Bond (CTB) contributions are made from the Northern Virginia District Primary Road fund allocation. The Commonwealth Transportation Bond Obligations are capped at a total of \$51,875,000 in actual payments. The total of CTB contribution through October 1, 1999, is \$35,097,372.

⁵ The FY 2001 expenditure amount is shown for planning purposes only. The District will inform the County of the amount needed to fund its contractual obligations for reimbursement of debt service on bonds issued for District highway improvements. Tax revenues from the District are not sufficient to fully fund debt service. Therefore, no reduction to the tax rate or revenues can be made at this time.

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FUND STATEMENT

Fund Type G70, Agency Funds

Fund 700, Route 28 Taxing District

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Beginning Balance	\$41,268	\$41,268	\$45,207	\$45,207	\$45,207
Revenue:					
Real Estate Taxes- Current	\$3,227,720	\$3,083,286	\$4,309,554	\$4,795,818	\$4,795,818
Interest on Investments	12,546	0	0	0	0
Total Revenue	\$3,240,266	\$3,083,286	\$4,309,554	\$4,795,818	\$4,795,818
Total Available	\$3,281,534	\$3,124,554	\$4,354,761	\$4,841,025	\$4,841,025
Expenditures:					
Payments to the State	\$3,236,327	\$3,083,286	\$4,309,554	\$4,795,818	\$4,795,818
Total Expenditures	\$3,236,327	\$3,083,286	\$4,309,554	\$4,795,818	\$4,795,818
Total Disbursements	\$3,236,327	\$3,083,286	\$4,309,554	\$4,795,818	\$4,795,818
Ending Balance¹	\$45,207	\$41,268	\$45,207	\$45,207	\$45,207

¹ Accumulated interest earned on investments.